

Message Text

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DRAFTED BY S/S-O:ACPERKINS

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APPROVED BY S/S-O:PSARROS

S/S:MR. GAMMON

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FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

C O N F I D E N T I A L STATE 172037

FOLLOWING SENT USMISSION NATO FROM SECSTATE WASHDC
29 AUG 73:

QUOTE C O N F I D E N T I A L STATE 172037

E.O. 11652: GDS

TAGS: MCAP, NATO

SUBJECT: BURDENSARING

REF: USNATO 3875

1. THIS PARA IS KEYED TO QUESTIONS REGARDING THE
PROPRIETY OF INCLUDING CERTAIN US EXPENDITURES AS PART
OF THE US BOP DEFICIT ON MILITARY ACCOUNT IN NATO EUROPE
RAISED IN PARA 3 OF REFTL.

3(A) WE CONCUR. THE PAYMENT OF PENSIONS TO RETIRED
US MILITARY PERSONNEL RESIDING IN NATO EUROPE SHOULD
NOT REPEAT NOT BE INCLUDED AS PART OF THE US DEFICIT.

3(B) THE US PURCHASE OF HARRIER AIRCRAFT IS A VALID
BOP EXPENDITURE ITEM AND SHOULD BE CONSIDERED AS
CONTRIBUTING TO THE US BOP DEFICIT. REASON: THE
ARGUMENT THAT THE US WOULD HAVE PURCHASED SUCH AIR-
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CRAFT WHETHER OR NOT IT HAD TROOPS IN EUROPE IS

INADEQUATE. OUR CALCULATIONS REFLECT RECEIPTS FROM THE UK, AND OTHER NATO NATIONS, FOR ALL PURCHASES OF MILITARY EQUIPMENT FROM THE US. IF US PURCHASES SUCH AS HARRIER WERE TO BE EXCLUDED FROM GROSS BOP EXPENDITURES, THERE WOULD BE NO REASON FOR US TO AUTOMATICALLY ACCEPT AS PROPER OFFSET ELEMENTS EUROPEAN PURCHASES OF DEFENSE ARTICLES IN US.

3(C) WE DO NOT CONCUR. THESE ARE VALID EXPENDITURES AND SHOULD BE CONSIDERED AS PART OF THE US BOP DEFICIT ON MILITARY ACCOUNT. REASON: OSD STAFF ANALYSIS OF THIS ISSUE SUGGESTS THAT THE ALLIES MAY BE REFERRING TO US EXPENDITURES ASSOCIATED WITH THE PRESENCE OF APPROXIMATELY 7000 US FORCES IN TURKEY. THESE EXPENDITURES TOTALED APPROXIMATELY DOLS 25.6 M IN CY 72: APPROXIMATELY DOLS 8.1 M FOR US FORCES, DOLS .6 M FOR HIRING OF FOREIGN NATIONALS AND THE REMAINING DOLS 16.9 M FOR CONTRACTUAL SERVICES AND RELATED OPERATION AND MAINTENANCE ACTIVITIES OF US BASES IN TURKEY.

THE US CONSIDERS THAT ALL OF THESE EXPENDITURES CONTRIBUTE TO US PARTICIPATION IN THE INTEGRATED DEFENSE OF NATO.

2. WE ARE RELUCTANT TO TAKE THE INITIATIVE IN "EXCUSING" ANY ALLIES FROM PARTICIPATING IN THE BURDENSARING EFFORT, SINCE THIS WOULD VERY LIKELY INSPIRE SPECIAL PLEADING BY OTHER MEMBERS WHO BELIEVE THEIR SITUATION ALSO WARRANTS SUCH TREATMENT. WE MUCH PREFER, AS NOTED EARLIER, TO KEEP THE QUESTION OF WHO PAYS AND HOW MUCH TO BE WORKED OUT IN GIVE-AND-TAKE AMONG ALL OUR ALLIES. WE THEREFORE ARE INFORMING CANADIANS HERE THAT WE BELIEVE QUESTION OF NATURE AND EXTENT OF CANADIAN PARTICIPATION IN BURDENSARING SOLUTION SHOULD BE WORKED OUT AMONG OUR ALLIES IN MULTILATERAL FORUM THAT HAS BEEN ESTABLISHED TO DEAL WITH THE OVERALL BURDENSARING ISSUE. FYI: WE AGREE GENERALLY WITH MISSION RATIONALE IN PARAGRAPH 5 CONCERNING CANADIAN POTENTIAL CONTRIBUTION
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TO BURDENSARING, BUT BELIEVE OTHER CONSIDERATIONS ARE ALSO PERTINENT. REGARDING THE PURE BOP ASPECTS OF THIS PROBLEM, OUR ATTENTION HAS BEEN FOCUSED ON THE BOP MILITARY DEFICIT WITH NATO EUROPE, AND IT WOULD BE DIFFICULT TO INSIST THAT CANADA SHOULD CONTRIBUTE TO OFFSETTING THESE BOP EXPENDITURES IN EUROPE. HOWEVER, OUR CONSISTENT RATIONALE HAS BEEN THAT OUR FORCES IN EUROPE ARE CLEARLY STATIONED THERE FOR

THE BENEFIT OF ALL, REPEAT ALL, NATO MEMBERS.
THEREFORE WE FEEL THAT CANADA COULD VERY APPROPRIATELY
BE EXPECTED TO SHARE IN SOME WAY IN AN ALLIED EFFORT TO
DEVELOP BUDGETARY SUPPORT MEASURES TO OFFSET THESE
ADDITIONAL US BUDGET EXPENDITURES. (ABOUT 440 MILLION)
END FYI.

3. WE ARE CONCERNED THAT MANY OF THE SPECIFIC
QUESTIONS BEING RAISED BY THE UK AND OTHERS, SUCH AS
THOSE IN REFTTEL, ARE DISTRACTING FROM THE CENTRAL
ISSUE I.E. DEVELOPMENT OF A SOLUTION TO THE US
MILITARY BOP PROBLEM. MISSION SHOULD TAKE EVERY
OPPORTUNITY TO GET THE ALLIES TO FOCUS ON DEVELOPING
POSSIBLE SOLUTION. ROGERS UNQUOTE RUSH

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